

For calendar 2001 or years beginning _____, 2000 and ending _____, 2002.
READ INSTRUCTIONS ON BACK. ATTACH TO YOUR RHODE ISLAND RETURN.

Identifying Number (SSN or FEIN)

Address:	Street	City/town	State	ZIP
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Apprenticeships:	
5 years prior	_____
4 years prior	_____
3 years prior	_____
2 years prior	_____
1 year prior	_____
TOTAL	_____
TOTAL / 5	

List below names and information for each qualifying apprentice to whom wages were paid. ATTACH APPRENTICESHIP AGREEMENT FOR EACH EMPLOYEE LISTED.

Employee/Apprentice Name	Social Security Number	Wages Paid this Apprentice	Wage X 50%	Credit Max \$4,800.00
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- | | | |
|----|---|----------|
| 1. | Total Credits above | \$ |
| 2. | Tax Credit used - Enter on appropriate line of your return.
See limits and instructions. | \$ _____ |

Instructions: Enter and total the number of apprenticeships for 5 prior years in the spaces provided. Divide the total by 5 and enter on the line indicated. THE NUMBER OF APPRENTICESHIPS CLAIMED FOR THIS YEAR MUST EXCEED THE 5 YEAR AVERAGE. Calculate the credit per apprentice by multiplying the wages paid by 50% and entering the results in the columns above. Enter the lesser of 50% of wage or \$4,800.00 as the maximum credit per apprentice. Total the credits and enter in the space provided. Refer to instructions on reverse side for limitations of the credit used and enter on appropriate line of your return. ATTACH A COPY OF THE APPRENTICESHIP AGREEMENT FOR EACH EMPLOYEE!

**STATE OF RHODE ISLAND - DIVISION OF TAXATION
EMPLOYER'S APPRENTICESHIP TAX CREDIT**

I. General: Generally, a taxpayer who is an employer and employs a machine tool and metal trade apprentice or plastic process technician apprentice duly enrolled and registered under the terms of a qualified program will be allowed a credit against the tax imposed by Chapter 11 or Title 44. The amount of the credit is 50% of the actual wages paid to the qualifying apprentice or \$4,800 whichever is less.

II. Program requirements: The apprentice must be duly enrolled and registered under the terms of a qualified program as determined by the State Apprenticeship Council. The credit is limited to qualified machine tool, metal trade and plastics programs with apprenticeship periods of duration which are more than four thousand (4,000) hours and less than ten thousand (10,000) hours.

The tax credit is limited to the following trades: machinist, toolmaker, toll and diemaker, model maker, gage maker, pattern maker, tool and machine setter, diesinker, moldmaker, machine tool repairer, plastic process technician and in similar occupations which, as above, involve multiple work processes including the shaping of metals by machine tool equipment designed to perform cutting, grinding, milling, turning, drilling, boring, planing, hobbling, and abrading operations.

The apprentice must be employed on a full time basis which is defined as working a minimum of one hundred twenty (120) hours per month at the trade. Up to eighty (80) hours may be applied during the tax year against the one hundred twenty (120) hour limitation.

Pre-apprentices are not counted as apprenticeships begun and wages earned by pre-apprentices are not eligible for inclusion in the calculation of the tax credit.

III. Calculation of the credit: The number of apprenticeships for which tax credit is allowed must exceed the average number of such apprenticeships begun during the five (5) preceding years. The credit is 50% of the actual wages paid to the qualifying apprentice or \$4,800 whichever is less.

VI. Limitations on the credit and miscellaneous:

- A. The credit per apprentice is 50% of the actual wages paid to the qualifying apprentice or \$4,800 whichever is less.
- B. The credit cannot reduce the Business Corporation Tax (Title 44, Chapter 11) to less than the minimum required.
- C. In the event that the employer is a small business corporation, the credit shall be divided among the shareholders in the same manner as income.
- D. The credit is not refundable and amounts of credit not deductible in the taxable year may not be carried over to the following year.

TO VERIFY ELIGIBILITY FOR THE CREDIT, A COPY OF THE APPRENTICESHIP AGREEMENT FOR EACH QUALIFIED APPRENTICE MUST BE ATTACHED TO THIS FORM.